



January 6, 2020

New Year Greeting!

Dear shareholders, employees, customers, and friends of GNI Group Ltd.:

2019 was a milestone year in GNI Group's history. We expect to exceed 70% growth in RMB revenue due to strong drug sales in China. We should achieve profitability on both an Operating and Attributable to owners of the parent basis, notwithstanding foreign currency fluctuations and an increase in R&D spending. Our new factory started production, with a maximum capacity 10 times greater than before, in order to meet patients' growing demand. Etuary®, our flagship drug, has brought new hope to thousands pulmonary fibrosis patients in China. The total number of employees at GNI Group affiliated companies in Japan, the US, and China has surpassed 400.

GNI will always be a R&D driven company. The completion of the F351 Phase II clinical trial in China for liver fibrosis in 2019 represented a key step towards our dream of being a multi-drug company. If the commercial launch of Etuary® as a single drug alone was able to lift GNI to today's status, F351, if approved, will totally change the future of our company. In addition to F351, our future pipeline will include multiple anti-cancer drugs due to our investment into the revolutionary protein degradation technology in 2018. R&D programs in other kidney, pulmonary, and liver diseases drug candidates will also yield results in the coming years. GNI targets a product portfolio fully able to sustain our growth for the next 10 - 20 years.

Pipeline, profits, and international operations are the key components of GNI's business model. Having achieved profitability, we need to be ever cautious to balance short term financial gains with long term growth opportunities. We must be prepared to withstand international financial turbulence while continuing expansion in our key markets of China, the US, and Japan. Our stated strategic goal is to become a mid-size international pharmaceutical company within 10 years. Such ambition can only be realized if we continue to execute our plan with unwavering faith and commitment.

Finally, I want to wish everyone a prosperous 2020.

Ying Luo, PhD
Director, Representative Executive Officer, President and CEO